

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 559 - HB 1374

March 2, 2017

SUMMARY OF BILL: Creates the Office of Transportation Public-Private Partnership (OTP3), to be administratively attached to the Department of Transportation (TDOT), to provide expertise and assistance to the state and local governments for the development, redevelopment, or operation of transportation facilities for public-private initiatives.

OTP3 duties shall include, but not be limited to: tracking proposed, ongoing, and completed public initiatives; assisting public entities in the identification of transportation projects under the Public-Private Transportation Act of 2016; promoting best practices, including standardized methodologies and processes; and attracting private investment in transportation facilities to the state.

Requires all OTP3 expenses for administrative functions, including but not limited to, salaries, benefits, and office space, to be paid out of monies appropriated by the General Assembly to the Highway Fund.

Requires the Governor to appoint an OTP3 Executive Director by September 1, 2017 to serve for five years. Authorizes the Executive Director to retain professional assistance and staff. Establishes that the Executive Director and employees are eligible for reimbursement of travel expenses. Adds OTP3 to the sunset cycle provisions under the Tennessee Governmental Entity Review Law, thereby creating a termination date for the Office of June 30, 2019.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$45,300/One-Time/Highway Fund
\$665,800/Recurring/Highway Fund**

Assumptions:

- Based on the information provided by the Department of Transportation (TDOT), the OTP3 will require eight full-time positions to operate and manage the office including: one director, one assistant director, two attorney 3, one transportation manager 1, one transportation program monitor supervisor, one transportation program monitor 2, and one administrative services assistant 2.

- Based on information provided by TDOT, the one-time increase in state expenditures to the Highway Fund for office furniture, computers, phones and other miscellaneous computer equipment for all eight positions is estimated to be \$45,300.
- Based on information provided by TDOT, the recurring increase in state expenditures to the Highway Fund for salaries and benefits for all eight positions is estimated to be \$665,755 (\$523,492 salary + \$142,263 benefits).
- The Comptroller of the Treasury, the Division of Audit, will accommodate any additional auditing responsibilities as a result of the addition of the OTP3 into the statutory sunset provisions utilizing existing resources without an increased appropriation or a reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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